

10/26/77

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THE PRESIDENT'S SCHEDULE

Wednesday - October 26, 1977

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Senator Gaylord Nelson. (Mr. Frank Moore).
(30 min.) The Oval Office.

12:30 Drop-by Octoberfest - The South Grounds.
(10 min.)

1:30 Secretary Juanita Kreps. (Mr. Jack Watson).
(15 min.) The Oval Office.

2:00 Congressman Toby Moffett et al.
(30 min.) (Mr. Frank Moore) - The Cabinet Room.

October 26, 1977

To Senator Charles Mathias

I appreciate your letter concerning
Camp David, and agree with your comments
about the beauty of the Catoctin Mountains.
The years you have spent in this area
certainly have been exciting and good.

I am interested in learning more about
Camp David, and look forward to hearing
of your experiences in Frederick County.

Sincerely,

JIMMY

The Honorable Charles McC. Mathias, Jr.
United States Senate
Washington, D.C. 20510

JC/sc

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Regarding Camp David

7710281100

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CENTRAL



CHARLES M^C. MATHIAS, JR.
UNITED STATES SENATE

October 14, 1977

*Susan
reply - LMS
J*

ack-P
CONGRESSIONAL
LIAISON

Dear Mr. President:

OCT 18 1977

It has given me great personal pleasure to observe your recurrent visits to Camp David. At this time of year, in particular, few places on earth are more beautiful than the Catoctin Mountains. Camp David is located in Frederick County, which is my home county, where my mother still lives, and where my family has lived for many generations.

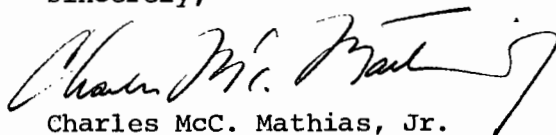
To the east of the Catoctin Mountains lies the Monocacy Valley, and to the west, the Middletown Valley, which are historically two of the most fertile agricultural areas in America. At the foot of the mountain is the Catoctin Furnace, which made cannon balls for the Revolution and was a part of the birth of Industrial America.

When I was a small boy, my favorite way to celebrate a birthday was with a picnic on the banks of a trout stream near Camp David. It was about that time that trout camps were built by Lawrence Richey, confidential assistant to President Hoover, and by Kingman Brewster, the father of your Ambassador to Great Britain. These establishments brought a novel air of sophistication to Frederick County, as well as many interesting visitors. Later, it was a thrill to stand alongside the Frederick County roadsides and watch the Presidential motorcades carrying visitors like Winston Churchill, Madame Chiang Kai-shek and Khrushchev.

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Someday when you are at Camp David, I would like to steal you away for an hour and show you some of these things. In the meantime, I am delighted that you are sharing the beauty of Frederick County with us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles McC. Mathias, Jr.", written in dark ink.

Charles McC. Mathias, Jr.

The President
The White House
Washington, D. C. 20500

Revised:
10/26/77
9:00 a.m.

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(30 min.) (Mr. Frank Moore) - The Cabinet Room.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

C

WEDNESDAY - OCTOBER 26, 1977
10:05 A.M.

MESSAGE FOR THE PRESIDENT FROM
SECRETARY CALIFANO

SENATOR GAYLORD NELSON HAS BEEN OUR
STANCHESTLY ON SOCIAL SECURITY
IN THE SENATE. HIS BILL IS THE ONE
WE ARE TRYING TO GET OUT OF THE
SENATE FINANCE COMMITTEE AND PASSED
ON THE FLOOR.

HE DESERVES THANKS AND NEEDS A LITTLE
BOLSTER FOR THE FIGHT AHEAD.

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THE WHITE HOUSE
WASHINGTON

October 26, 1977

Stu Eizenstat
Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan

RE: TAX ANNOUNCEMENT AT PRESS
CONFERENCE TOMORROW

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
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/		JORDAN
		LIPSHUTZ
		MOORE
/		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
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	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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for Preservation Purposes

October 26, 1977

MEMORANDUM FOR THE PRESIDENT
CHARLES SCHULTZE
JODY POWELL

FROM: STU EIZENSTAT

SUBJECT: Tax Announcement At Press Conference Tomorrow

*cc Stu - Jody
I'm not going to
mention tax cuts.
Just need to adjust
final tax reform PKG
to accommodate energy &
social security legislation
and need, if any, for
economic stimulus -
JC*

I am very concerned about announcing at the press conference tomorrow the decision to postpone tax reform until January, and I am even more concerned about mentioning a tax cut at this time for the following reasons:

1. We are trying to emphasize the point that the President is concentrating on energy. This would deflect from that notion.
2. Secretary Blumenthal is in the Middle East and the nature of the statement should be carefully reviewed by him. He should not simply be notified that this is going to be done, but he should be a direct participant in its timing and in precisely how the announcement is made.
3. We need to get away from the President making all the announcements. When Secretary Blumenthal returns there is no reason why he cannot make this announcement. There is no reason to identify the President personally with an act of postponement, which creates a negative image.
4. Announcing that our tax reform will have a significant tax cut is a particularly bad idea because:
 - a. We do not know the size of it nor its structure.
 - b. We are in effect announcing a decision three months before we are ready to give any details about it, therefore negating somewhat the credit the President will get for proposing a tax cut which is tangible enough for people to see.

- c. The President would be announcing this before the Congressional, business and labor groundwork has been laid. If we need a stimulus there will be many groups that will say tax cuts should be only one facet of that. We should have an entire package to announce.
 - d. Congressman Ullman and others are not now convinced that a tax cut is necessary and therefore an announcement of a tax cut now would get Ullman upset at the very time we need him for the energy conference.
 - e. Announcement of a tax cut now might seem like a stab at boosting the President's popularity, rather than as a sound, well thought through economic judgment.
5. When Secretary Blumenthal returns there is no reason why he and/or Charlie cannot indicate that the tax reform proposal will be delayed until January, that it will have strong investment incentives and that these investment incentives will be retroactive to a given point in time of their choosing. (This would satisfy a major concern of Charlie's that investments are now being withheld.)

In short, I strongly urge that you not be the one that announces the postponement of tax reform at this time. There probably will be a question in this area anyway at the news conference, but it seems to me that the appropriate answer would be that no final decisions on the timing or scope of tax reform have yet been made and will not be announced until after Secretary Blumenthal returns from the Middle East for further discussion.

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat

RE: LETTER TO HOUSE AND SENATE
CONFEREES ON MANDATORY
RETIREMENT

THE WHITE HOUSE
WASHINGTON

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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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THE WHITE HOUSE
WASHINGTON

10/26/77

Mr. President:

Frank Moore's office concurs.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 26, 1977

*Frank -
No letter necessary -
You & repeat my
position
J*

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Letter to House and Senate Conferees
on Mandatory Retirement

The conference committee on the bill to eliminate mandatory retirement will meet today.

There are several differences between the bills as passed by the House and Senate. The Senate bill does not include federal civil service employees and contains exemptions for professors and executives with large pensions. The House bill includes the provisions relating to the federal civil service which we urged. Chairman Campbell has previously publicly given the Administration's position in favor of abolishing mandatory retirement for federal workers. Because of the small number of persons involved this was not a controversial item and you specifically approved it.

Congressman Pepper has asked that our position on federal employees be reiterated in a letter to the conferees. He has mentioned to me several times that you told him you favored this position.

I suggest that you send the attached letters to Senator Williams and Congressman Perkins, with copies to the other conferees. The letter reiterates our position in favor of the House provisions eliminating mandatory retirement for the federal civil service. We are remaining neutral on the question of exemptions for certain of those in private life. We have not been pressed on the exemptions. This will permit us to make our position on this issue clear and insure that we get some of the political credit for the legislation. I also suggest that Jody release the letter to the press after it is delivered.

Scotty Campbell agrees with this request.

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DRAFT

To Senator Williams

(To Congressman Perkins)

I would like to reiterate the views of my Administration on one of the key issues which the Conference Committee must determine in its consideration of H.R. 5383, the Age Discrimination in Employment Amendments of 1977 -- the issue of abolishing mandatory retirement for federal employees.

On September 6, 1977, the Civil Service Commission, at my request, sent a letter to the Congress which proposed the early enactment of legislation to amend the civil service retirement law to remove the current requirement for mandatory retirement at age 70 for federal employees who have completed at least fifteen years of federal service. These provisions were included in Section 5 of H.R. 5383 as passed by the House. The Senate version of the bill does not contain similar provisions.

I believe that the mandatory retirement provisions of the civil service law are not necessary for the effective management of the government. Therefore, I urge the conferees on H.R. 5383 to agree to the elimination of the mandatory retirement provisions as passed by the House. This will result in a major step toward removing an obstacle to full participation in the work force now faced by older Americans.

THE WHITE HOUSE

WASHINGTON

Mandatory Retirement Conferees

Congressmen

Claude Pepper
John Dent
Edward Derwinski
Edward Beard
William Clay
Baltasar Corrada
Paul Findley
Augustus Hawkins
James Jeffords

Cecil Heftel
Albert Quie
Carl Pursell
Carl Perkins
Ronald Sarasin
Gladys Spellman
Michael Myers
Theodore Weiss
Joseph LeFante

Senators

Harrison Williams
Jennings Randolph
Claiborne Pell
Gaylord Nelson
Donald Riegle
Edward Kennedy

Jacob Javits
Richard Schweiker
Robert Stafford
John Chafee

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Frank Moore

The attached is forwarded to
you for your information.

Rick Hutcheson

LETTER TO HOUSE AND SENATE
CONFEREES ON MDANDATORY
RETIREMENT

THE WHITE HOUSE
WASHINGTON
October 26, 1977

Frank Moore

The attached letter to Sen.
Eagleton is forwarded to you
for delivery. It was returned
in the President's outbox today.

Rick Hutcheson

cc: Stu Eizenstat

RE: NATIONAL FLOOD INSURANCE
PROGRAM

THE WHITE HOUSE
WASHINGTON

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<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

October 26, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Response to Senator Eagleton Letter
Per Your Request

Attached is a response to the October 17, 1977 letter from Senator Eagleton. The contents of the response have been cleared by HUD.

THE WHITE HOUSE

WASHINGTON

To Senator Eagleton

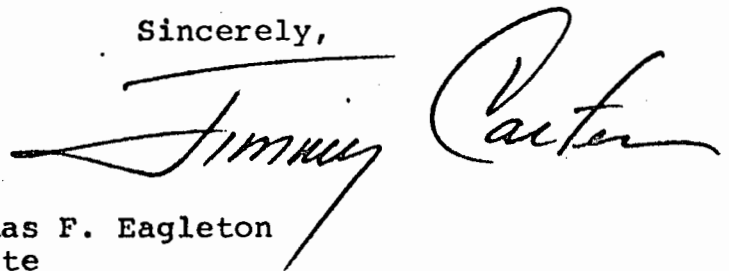
Thank you for your letter of October 17 concerning the National Flood Insurance Program.

I was very pleased to receive your views. I am particularly sensitive to the dilemma which many small communities have faced in connection with adopting the flood plain management measures required under the program. I realize that the program, while largely successful, has complex ramifications which have presented a number of difficult issues for certain communities. This Administration has no intention of avoiding compliance with your amendment.

However, I am sure that you will understand my own concern that this Administration encourage communities to follow safe construction and development practices so as to avoid future loss of lives and property from floods.

We will be studying ways to preserve the many positive aspects of the flood insurance program, while making improvements designed to eliminate past problems and increase its effectiveness. In this connection, I believe it is important that adequate incentives for local participation in the program be restored. I am sure that through our cooperative efforts we will develop an approach which will accommodate the objectives of all concerned.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with the first name "Jimmy" and last name "Carter" clearly distinguishable.

The Honorable Thomas F. Eagleton
United States Senate
Washington, D.C. 20510

McCLELLAN, ARK., CHAIRMAN
 ON, WASH. MILTON R. YOUNG, N. DAK.
 MISS. CLIFFORD P. CASE, N.J.
 W. VA. EDWARD W. BROCKE, MASS.
 WIS. MARK O. HATFIELD, OREG.
 HAWAII TED STEVENS, ALASKA
 HOLLINGS, S.C. CHARLES MCC. MATHIAS, JR., MD.
 AYH, IND. RICHARD S. SCHWEIKER, PA.
 S F. EAGLETON, MO. HENRY BELLMON, OKLA.
 TOM CHILES, FLA. LOWELL P. WEICKER, JR., CONN.
 BENNETT JOHNSTON, LA.
 WALTER D. HUDDLESTON, KY.
 QUENTIN N. BURDICK, N. DAK.
 PATRICK J. LEAHY, VT.
 JAMES R. SASSER, TENN.
 DENNIS DECONCINI, ARIZ.

JAMES R. CALLOWAY
 CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
 WASHINGTON, D.C. 20510

*Sta-
expedite
reply
J*

October 17, 1977

SE (Sutectogorane)
 CONGRESSIONAL
 LIAISON

OCT 18 1977

The Honorable Jimmy Carter
 President of the United States
 White House
 Washington, D.C.

Dear Mr. President:

I was sorry to read that my amendment to the Flood Insurance Act "causes you concern" and I hope that through this letter I can allay some of your doubts.

First, however, I must express my consternation at your suggestion that administrative means be considered to get around the change that Congress has legislated by large majorities in both chambers. It is one thing to compensate administratively when Congress fails to act in a particular instance. But, to attempt to overturn a positive act of Congress by such means, in my opinion, would be an affront to the legislative process and a serious abuse of executive power. I sincerely hope that that course will be rejected. If, instead, you decide that this program needs to be restructured legislatively, I would be pleased to work with you or your staff to come up with a bill that will satisfy all concerned.

Actually, my amendment is only a modest extension of the legislation which was adopted last year with the support of the Department of Housing and Urban Development. That change exempted then-existing flood plain properties from the conventional bank sanction. This year's amendment merely broadens that exemption to all properties in a non-participating community.

There are today about 3,500 communities which for one reason or another have failed to adopt the HUD flood plain management ordinance and thus are being subjected to all of the program's sanctions. Unlike federal agencies, which under the terms of your Executive Order 11988 are at least permitted the leeway of determining whether compliance is practicable or appropriate, these communities are given no option of any kind regardless of how pressing their reason for not participating.

The Honorable Jimmy Carter

October 17, 1977

An example are communities in third and fourth class counties of Missouri which by state law are prohibited from adopting any kind of zoning ordinance. Three times an effort was made in the state legislature to change this law and three times it has failed. Many of the towns in this situation are very desirous of having flood insurance protection, but cannot qualify under existing state law. Is it fair to punish these communities for something that is beyond their control?

A more frequent objection to the flood program is that it takes a great number of towns and individual properties which have only minor flooding problems and, in some cases never had a flood in their history. The program is deliberately designed to take in such marginal situations in the interest of spreading the risk for insurance companies and holding down the federal subsidy of premiums. But is it fair to ask a town like Cassville, Missouri, to forfeit its economic future in order to deal with a minor flood problem? Is it rational to force this particular solution on a community without the slightest regard for the cost-benefit ratio? Does it make sense to proceed on a standard as gross as the 100-year flood without consideration of the depth or velocity of that once-in-a-century occurrence?

Obviously, I am not in a position to enumerate the specific reasons why each of the 3,500 non-participating communities have opted to suffer the penalties rather than adopt the restrictive ordinances that HUD demands. But I would suggest there are many good ones --from the Falmouth, Massachusetts objection that its Woods Hole Oceanographic Institute has been declared to be in a flood plain, to the plight of some Appalachian communities which have no developable land available to them except low-lying hollows which often have minor flood risks.

Modern day hydrologists and HUD bureaucrats may think it was poor judgement, but the fact is this country was settled on the banks of rivers, lakes and coastal plains. There are many things we can do to mitigate the dangers of such developments but it would be a tragic mistake to wave this 200-year history with bureaucratic dicta.

Finally, I want to say a word about the abysmal manner in which this program has been administered.

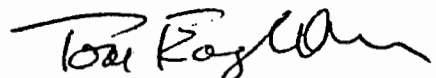
The Honorable Jimmy Carter

October 17, 1977

Over the years, the General Accounting Office has been critical of the agency's failure to provide accurate and detailed maps, and even the Administrator has acknowledged that the flood plain drawings on which communities are asked to make decisions are "crude approximations" only. Record-keeping has been little better, and the GAO found this spring the agency's books are in such disarray that an audit could not be performed. Relationships with participating insurance companies have reached such a low point that the companies have threatened to withdraw from the program at the end of this year. Then, there's the matter of an Administrator. For more than three years, this program has been headed up by an Acting Administrator. When the Comptroller General formally ruled that the position was subject to Senate confirmation and that no one has the legal right to serve as acting Administrator, the incumbent was simply retitled Deputy Administrator and the program continues without change.

For three years, I have sought constructive change in the Flood Insurance Act which would preserve the positive objectives of the program while allowing some flexibility to deal with the human realities of involved. I believe my amendment to the 1977 HUD act accomplishes that and I hope you will reconsider the actions which you intimated at the signing.

Respectfully yours,



Thomas F. Eagleton

United States Senator

TFE:jlk

THE PRESIDENT HAS SEEN.

2:00 PM

THE WHITE HOUSE

WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

October 25, 1977

MEETING WITH REP. TOBY MOFFETT, ET AL, ON ENERGY

Wednesday, October 26, 1977

2 p.m. (30 minutes)

Cabinet Room

From: Frank Moore *F.M.*

I. PURPOSE

To discuss their concerns over final passage of the energy bill.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: This group of liberal progressive Members wishes to impress upon the President their great concern over the possibility of giving the oil companies too much leeway in the final version of the energy bill. The group will not support the bill if it is not balanced in favor of consumer interests.

Participants: See attached list.

Press Plan: White House Photographer.

III. TALKING POINTS

1. Emphasize that no deals have been made with the Senate.
2. Repeat the statement you made at the Leadership Breakfast Tuesday morning that you will measure any bill sent to you on the following points:
 - a) the bill must treat consumers fairly by avoiding unjust enrichment and windfall profits to the oil companies,
 - b) the goals on conservation and coal conversion are met, and
 - c) the bill is fiscally responsible and conforms to the Executive and Congressional budget processes.

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
Toby Moffett (D-Conn-6)	Major Cities: Windsor Locks, New Britain. 26% central city; 51% suburban 50% white collar; 40% blue collar	1974	56.6	#20, Government Operations #20, Interstate & Foreign Commerce	87.5
Edward Markey (D-Mass-7)	Major City: Chelsea 100% suburban 57% white collar; 32% blue collar	1976	76.9	#25, Interior & Insular Aff. #24, Interstate & Foreign Commerce	85.3
Andy Maguire (D-N.J.-7)	Major City: Hackensack 100% suburban 65% white collar; 27% blue collar	1974	56.5	#21, Government Operations #22, Interstate & Foreign Commerce	88.2
Jim Guy Tucker (D-Ark-2)	Major City: Little Rock 40% central city; 27% suburban 46% white collar; 37% blue collar	1976	86.4	#24, Ways and Means	81.8
Bob Eckhardt (D-Texas-8)	Major City: Houston 48% central city; 52% suburban 49% white collar; 47% blue collar	1966	60.7	#12, Interior & Insular Affairs #9, Interstate & Foreign Commerce Chairman-Consumer Protection and Finance Subcommittee	93.5
Abner Mikva (D-Ill-10)	Major Cities: Chicago & Evanston 100% suburban 74% white collar; 18% blue collar	1974	50	#16, Ways and Means	86.7
Al Gore (D-Tenn-4)	Major City: Murfreesboro 19% suburban 34% white collar; 47% blue collar	1976	94	#28, Interstate & Foreign Commerce #25, Science and Technology	67.6

THE PRESIDENT HAS SEEN.

1:30 PM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack* October 25, 1977
RE: Meeting with Juanita Kreps, October 26, 1977, Oval Office, 1:30 p.m. (15 min.)

Juanita wants to discuss with you some of her views about how we can engender more permanent jobs in the private sector in 1978. Among other things, she will discuss,

- (1) the need for a broad-based, well-coordinated economic development strategy;
- (2) more innovative uses of public resources to leverage private investment in distressed areas of the country, particularly distressed urban areas;
- (3) her belief that we need to move in 1978 with as many economic development and urban initiatives as possible, rather than wait on the budget formulation and policy development that is going on for FY 79; and
- (4) EDA's capacities to respond to all the foregoing needs and initiatives. Juanita will outline for you four specific initiatives she has in mind for EDA.

I think it would be a good idea for you to underscore the need for close collaboration among Commerce (including EDA), HUD, Labor, Transportation and Treasury in putting together and implementing a plan for the South Bronx. The more we are able to get the federal act together, the more we can induce the cities, states and private sector to converge their respective resources. By Friday, I will give you my assessment to date of the situation in the South Bronx and an outline of the principles that I think we must follow if we are to deal with that situation effectively. Needless to say, the interconnection between

housing, jobs and general economic development for the area is crucial, and whatever strategy we develop with the city, the private sector and the state must take them all into account. As you pointed out in your note to Juanita and others, designing a workable process for dealing with the South Bronx should give us a valuable prototype for dealing with other distressed areas. Commerce's role in that effort is essential.

THE WHITE HOUSE
WASHINGTON
October 26, 1977

Secretary Califano
Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: RECENT WIRE STORY ON FRAUD AND
ABUSE

THE PRESIDENT HAS SEEN.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

October 25, 1977

MEMORANDUM FOR THE PRESIDENT

FROM Joe Califano *JCF*

SUBJECT: Recent Wire Story on Fraud and Abuse

On October 24th you made the following request: "Explain the 'only 37' cases found nationwide in Project Match as reported by the news this weekend."

This "news" is based on an Associated Press article by Michael Putzel that appeared in Saturday's Washington Star (copy attached) which is grossly incorrect and totally misleading.

The fact is that, rather than 47 (the number in the story I saw), we have found several thousand matches in the first 13 states where we have made a computer comparison between Federal employment records and AFDC welfare rolls. None of these cases has been validated or reached the prosecutorial stage, but our experience in the District of Columbia suggests that thousands will be found partially or totally ineligible for welfare benefits and that a sizeable number will be prosecuted for fraud by U.S. Attorneys in coming months.

The source of Mr. Putzel's "47 suspects" is unknown, but I would stress that the number of suspected cases of fraud or abuse brought to light by Project Match must be numbered in the thousands. In our recent comparison of HEW's employment records with the District of Columbia's AFDC rolls, we found 216 matches, of which 74 were quickly determined to be eligible for the benefits being received. Of the 142 suspect cases remaining, 90 have been reviewed for eligibility, with 27 of them found partially ineligible and 53 totally ineligible (ten were found to be eligible upon more searching examination).

Although we have not yet had enough experience to know whether the District of Columbia's proportion of ineligibles as a percentage of total matches will be replicated precisely on a nationwide basis, these results clearly indicate that we are dealing with thousands of cases of partial or complete ineligibility.

I intend to speak to this subject within the next two weeks to set forth clearly the Administration's program.

*cc: Joe & Jody
Can't you correct
Putzel & the story?
J
ps It made headlines
throughout West on
my trip -*

SATURDAY, OCTOBER 22, 1977

HEW's 'Project Match' Draws Fire

Only 47 Welfare Cheats Found

By Michael Putzel
Associated Press

The Carter administration's highly touted computer search for welfare cheaters so far has turned up only 47 suspects, none of whom is likely to be prosecuted for fraud, government sources said yesterday.

The sources defended "Project Match" as a means of cleaning up local welfare rolls, but they painted a much different picture of the program than HEW Secretary Joseph A. Califano Jr. gave Congress last month.

Meanwhile, congressional investigators began an inquiry into possible violations of the federal Privacy Act by the Civil Service Commission, which turned over personnel information on 2.8 million federal employees to Califano's Department of Health, Education and Welfare. The Pentagon has been asked for its employee records and plans to supply them.

The investigators for a subcommittee of the House Government Operations Committee said both the Civil Service Commission and the Defense Department have "subjected themselves to convoluted reasoning" in their efforts to get around the Privacy Act and cooperate with the HEW probe.

CALIFANO ANNOUNCED Project Match in July, calling it "a new initiative to expose welfare fraud by federal employees."

The program uses computers to match names and Social Security numbers on government payrolls with names on local welfare rolls. Califano said investigators last summer found 216 names and numbers that turned up on the Washington welfare rolls and the HEW payroll records.

Charles Ruff, HEW's deputy inspector general, said Friday that 142 of those cases have been referred to the District of Columbia's welfare agency for further investigation of eligibility for welfare payments.

The success of the first program led to expansion to cover nearly all other federal employees.

"Investigation has begun to determine how many hundreds of these employees are, in fact, totally or partially ineligible for the benefits they are receiving," Califano recently told a congressional subcommittee. "Our experience . . . indicates that we can expect as much as 60 percent of the initial raw matches to warrant further in-depth investigation leading to possible civil action or criminal prosecution."

BUT ASKED FOR the most up-to-date information, a source with access to HEW files said a total of 47 people "now appear to be ineligible for welfare benefits or to have received more than they should have."

"But I doubt if any of them could or should be

prosecuted," the source said, asking that he not be identified.

Sources say some of those who turned up as computer matches were entitled to benefits because they didn't make enough from the government. Others were said to be people who were given jobs at HEW as part of the Labor Department's work incentive program to get willing and able-bodied people off welfare.

Some of those whose names were on both lists made more than \$20,000 a year but turned out to be receiving benefits on behalf of foster children they had taken into their homes at the request of the government, sources said.

"One lady sent the Welfare Department three letters saying she was working and didn't think she was entitled to the checks they were sending her. But the checks kept coming," one source said. "Now who's responsible for that? You think you could put her in jail?"

RUFF CONFIRMED that no cases from Project Match have been turned over to the Justice Department or to U.S. attorneys for possible prosecution. He indicated that would be the responsibility of the local welfare agency.

An attorney for a House Government Operations subcommittee said in an interview, "It is very difficult to question Califano or (Inspector General) Tom Morris on this because everybody wants to catch welfare cheaters."

"But you can't give the Civil Service Commission or the Pentagon license to violate the Privacy Act just because this is for a good cause. If you do, how are you going to stop them when they start rummaging through files for political enemies?"

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THE PRESIDENT HAS SEEN.

11:00 AM

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THE WHITE HOUSE
WASHINGTON

October 25, 1977

MEETING WITH SENATOR GAYLORD NELSON

Wednesday, October 26, 1977
11:00 a.m. (30 minutes)
Oval Office

From: Frank Moore *F.M.*

I. PURPOSE

To discuss energy legislation.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Senator Nelson is one of the senior members of the Senate Finance Committee. While he is generally regarded as a "liberal" on the Finance Committee, he is a very close friend of Russell Long. Senator Nelson does not agree with our energy tax proposal, but is prepared to try to accommodate our wishes. The interest group that he most closely identifies with is the consumer coalition. Generally, he believes that neither our energy tax proposals nor increased prices are necessary. He believes that the energy industry is already receiving sufficient profits. Also he does not agree with the tax credit approach of the Finance Committee bill, but he is apparently willing to go along with it to advance energy legislation into conference.

Senator Nelson is Chairman of the Select Committee on Small Business. Some time ago he requested a meeting for his Committee with you to discuss the impacts of our tax reform proposals on small business. He does not believe that there are sufficient tax incentives for small businessmen.

- B. Participants: The President
Senator Gaylord Nelson (D-Wisc)
Frank Moore
- C. Press Plan: White House Photo.

III. TALKING POINTS

- A. Senator Nelson should be assured that we will fight in conference for a good and balanced bill which will be consistent with the National Energy Plan, which will be fiscally responsible and, most importantly, which will protect consumers and avoid windfall profits.
- B. No commitments should be made to him.
- C. He needs reassurance, but is inclined to help especially if you ask.

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc: The Vice President

RE: SENATOR FORD - NATURAL GAS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
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		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 26, 1977

Frank J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

Senator Wendell Ford talked with Dan Tate this morning to let us know that he wants to "help" on natural gas. He voted against us in the Energy Committee and on the floor.

As you know, the Senate conferees on natural gas are evenly divided (9 to 9) and Ford could swing it our way 10 to 8.

This is probably why he is calling you. I suggest you hear him out but reserve judgment on any specific proposals he may have. Scoot might get jealous.

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*\$10,500 for picture
I signed -
Can help break 9-9
split - bottom
"Interested in line"*

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Stu Eizenstat
Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson

RE: 55 MPH Speed Limit

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
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		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
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	PRESS
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	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 24, 1977

*cc Stu &
Today*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

55 Mile Per Hour Speed
Limit

This is in response to your request for a memorandum on ways to improve the public's compliance with the 55 mph speed limit. Based on the recently submitted DOT report, there appear several steps which you can take in order to reinforce your statement of August 31, 1977 (copy attached) on the importance of voluntary compliance with this law.

I recommend the following actions:

(1) Tape a brief statement, to be used in conjunction with DOT radio and television announcements, to explain the individual and the national benefits to be derived from compliance with the 55 mph speed limit. *ok*

(2) Instruct DOT to develop regulations for the state/community highway safety program which will target portions of these funds to the 55 mph program in order to demonstrate the priority attached to speed limit enforcement. *ok*

(3) Publicly encourage Secretary Adams to continue to use his authority to withhold highway aid funds in the effort to combat the trend in many states to liberalize penalties for violation of this national speed limit. *SK*

(4) Discuss the need for compliance with 55 mph with the governors who attend the White House meeting on energy November 3 and 4, 1977. According to DOT, winning the support of the governors for the 55 mph program is crucial to its success. Since enforcement of the speed limit is left to the states, the attitude of the governor toward the program greatly affects the attitude and performance of others in the state with respect to this program. *SK*

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The National Traffic Safety Administration will continue promotional efforts and will attempt to provide more technical assistance to state and regional organizations in an attempt to improve the Federal 55 mph program.

Jody feels that the Department of Transportation should take the lead on this with little or no involvement from the White House. I fully agree.

I agree

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THE PRESIDENT HAS SEEN.

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

OCT 14 1977

*Stu - J
agree with you.
Talk to Her
develop PR approach.
Prepare memo for
me to have next
Tuesday
to act
JC*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Report on Compliance with the 55 Mile Per Hour Speed Limit and Recommendations for Federal Action

During our meeting on August 31, 1977 to discuss the 55 mile per hour speed limit, you requested a report on "the status of speed limit compliance throughout the country" to be submitted along with recommendations for improving the Federal 55 mph program.

Attached is a copy of my report. The findings are as follows:

1. Highway speeds, after dropping significantly in 1974, and remaining at 1974 levels in 1975, are gradually increasing. In 1976, the average speed of free-flowing vehicles was 58.0 mph on rural interstate highways, and 56.0 on urban interstates, as compared to 57.6 mph and 54.7 mph respectively for 1975.
2. A significant portion of motorists violate the 55 mph speed limit. The percentages of vehicles exceeding 55 mph by state during the first half of 1977 ranged from 30.5 to 77 percent. The percent of vehicles exceeding 60 mph ranged from 7.5 to 40 percent.
3. Highway deaths increased from 46,011 in 1975 to 46,820 in 1976, the first fatality increase since enactment of the 55 mph speed limit.
4. The 55 mph speed limit saved at least 1 billion gallons of gasoline in 1975. If all motorists observed the speed limit, some 73 million barrels or more than 3 billion gallons of gasoline would be conserved annually.
5. Public support for the speed limit, as reflected in public opinion polls, is high, even as observance decreases.

August 31, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT URGING
COMPLIANCE WITH THE 55-MILE SPEED LIMIT

When I delivered my energy message last April, I hoped that the national 55 mile per hour speed limit --already in force -- would help reduce gasoline consumption, which is essential if we are to extend the world's finite supply of oil. If we all drove within the speed limit we could save more than eight million gallons of gasoline a day. That's nearly a third of the reduction in total gasoline consumption I asked for in my energy program.

We have saved gasoline by driving slower. Tests by the Federal Highway Administration indicate that, depending on the type of car, drivers can get from 17 to nearly 50 per cent better gas mileage at 55 mph than at 70. And we have saved lives. Since the lower speed limit was adopted nationally three years ago, there have been approximately 9,000 fewer highway deaths each year than in 1973. The reduced speed limit has been the biggest single factor in this 17 per cent drop in highway fatalities.

Unfortunately, highway speeds are again creeping up. Highway safety officials tell us that enforcement is difficult as average interstate speeds again approach 65. Worst of all, the numbers of people being killed or seriously injured in highway accidents are rising again with the increase in vehicle speeds. In July, 169 more Americans died on our highways than in July of last year; for June, the increase was 175.

This is a matter that deserves, and must have, greater Federal attention. Gen. Davis, as special representative to Secretary Adams on 55 mile per hour speed limit education and enforcement, I hope you will redouble your efforts in communicating the importance of the 55 mph speed limit to the safety leaders of our states and the people of America. Let it be clearly understood that by exceeding the speed limit we are wasting fuel and, in too many instances, lives as well.

In your meetings with state law enforcement and safety officials, please convey my concern and assure those responsible for the safety of our highways that Federal support will be supplied, and appropriate Federal actions taken, to assist them in their programs. I will expect a report in 30 days on the status of speed limit compliance throughout the country along with recommendations from the Secretary of Transportation on any additional measures considered advisable to save fuel and stem the tide of fatalities on the nation's roads.

THE WHITE HOUSE
WASHINGTON
October 26, 1977

Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: US-USSR STATEMENT

THE WHITE HOUSE
WASHINGTON



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<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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<input type="checkbox"/>	WARREN

10/26/77

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

Mr. Pres.

It is not

correct to say U.S.

U.S.S.R. statement was
first time U.S.S.R.
accepted right of
Israel to exist.

U.S.S.R. was 2nd
nation to recognize
Israel. They also

To day - I
saw this news
story - Don't
believe I said it.
What I meant
was that SU
does not recog-
nize Israel.

I
thanks

THE WHITE HOUSE
WASHINGTON

accepted U.N. Res. 242.

We can and should
say that this statement
was first time USSR
accepted "normal peaceful
relations" as outcome
of peace negotiations.

It is also worth noting
that USSR repeated its
acceptance of right to
exist.

Jer

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Bob Lipshutz

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling. Chairman Campbell has also been provided with a copy.

Rick Hutcheson

RE: EO: PERMITTING STUDENTS
COMPLETING APPROVED CAREER-RELATED
WORK-STUDY PROGRAMS TO BE APPOINTED
TO CAREER OR CAREER-CONDITIONAL
POSITIONS IN COMPETITIVE SERVICE

cc: Bob Linder

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Chairman Campbell

The attached Executive Order was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to the Chief Executive Clerk for appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

10/26/77

Mr. President:

Chairman Campbell of the CSC
requested the attached
Executive Order.

Eizenstat, Watson, Moore and
Costanza concur.

Rick

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
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	IMMEDIATE TURNAROUND

cc *Scabby Campbell*

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		EIZENSTAT
		JORDAN
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		MOORE
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		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
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	CLOUGH
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	HARDEN
	HUTCHESON
	JAGODA
	KING

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	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
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	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

October 20, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*

RE: Executive Order: Permitting Students Completing
Approved Career-Related Work-Study Programs to
be Appointed to Career or Career-Conditional
Positions in the Competitive Service

Executive Order 11813 authorizes the Civil Service Commission to administer a work-study program, under which students pursuing a bachelor's degree are given excepted appointments in Federal agencies. Upon meeting Civil Service Commission requirements, a student's appointment may be converted on a noncompetitive basis to a career-conditional or a career appointment.

The attached proposed order would replace Executive Order 11813 and would permit the Commission to expand the work-study concept to include students in graduate school as well as those in two-year college programs. You have earlier endorsed this idea during the signing ceremony for Executive Order 12008, which established the President's Management Intern Program.

We recommend that you sign the attached order.

☒ Approve

☐ Disapprove

- - - - -

PERMITTING STUDENTS COMPLETING APPROVED
CAREER-RELATED WORK-STUDY PROGRAMS TO BE APPOINTED
TO CAREER OR CAREER-CONDITIONAL POSITIONS IN
THE COMPETITIVE SERVICE

By virtue of the authority vested in me by Sections 3301 and 3302 of Title 5 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

Section 1. As used in this order "career-related work-study programs" are those programs established by the United States Civil Service Commission which provide for a formally-arranged schedule of periods of attendance at an accredited school combined with periods of career-related work in a Federal agency under a Schedule B appointment.

Sec. 2. The appointment of a student to a position in a career-related work-study program may be converted noncompetitively to a career or career-conditional appointment if the student:

(a) has completed within the preceding 120 days an educational program that meets the provisions established by the Civil Service Commission;

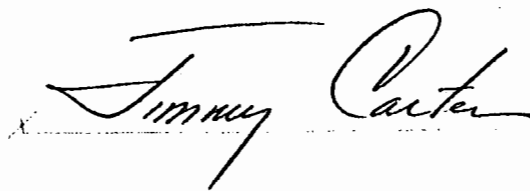
(b) has satisfied all course requirements leading to completion of the related curriculum at an accredited school;

(c) is recommended for such an appointment by the employing agency in which the career-related work was performed; and,

(d) satisfies such other requirements and conditions as the Civil Service Commission may prescribe for career or career-conditional appointment of an individual in career-related work-study programs.

Sec. 3. The Civil Service Commission shall prescribe such regulations as it deems necessary to carry out the provisions of this order and to provide for the continuation of planning, implementation and evaluation of employment programs for students throughout the Government. These regulations shall provide for the periodic evaluation of the work of each student and require that each student's continuation in the program shall be dependent upon a finding of satisfactory performance.

Sec. 4. Executive Order No. 11813 of October 7, 1974, is hereby revoked.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the text "THE WHITE HOUSE,".

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for your information and appropriate handling. Chairman Campbell has been provided with a copy. The signed original has been given to Bob Linder for distribution.

Rick Hutcheson

cc: Bob Linder

RE: EXECUTIVE INTERCHANGE PROGRAM

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Chairman Campbell

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to the Chief Executive Clerk for distribution.

Rick Hutcheson

RE: EXECUTIVE INTERCHANGE PROGRAM

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

cc Scotty Campbell

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
X	LANE <i>JM</i>
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
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	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
X	LINDER - <i>to dist</i>
	MITCHELL <i>(see dist)</i>
	MOE <i>list in</i>
	PETERSON <i>backups</i>
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

10/25/77

Mr. President:

Chairman Campbell of the CSC
concurs.

No comments from Eizenstat,
Watson or Lipshutz.

Jim Fallows edited the proposed
presidential memorandum.

Rick



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 21 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

Jim McIntyre

Jim McIntyre

SUBJECT:

Executive Interchange Program

The attached memorandum to the Heads of Executive Departments and Agencies expresses Presidential support of the Executive Interchange Program.

This program is a fine one and provides a valuable vehicle to increase understanding and exchange between the Federal Government and the private sector while improving the management capabilities of both. The program is designed to give Federal and private sector executives the opportunity of working in responsible positions in the opposite sector for a one-year period and is a particularly good chain of communication between the Federal Government and the leadership of the business community.

The Commission wants to increase their participation within the Executive Branch and feels that an endorsing memorandum from you will greatly facilitate this increase by encouraging more qualified agency personnel to consider involvement and by creating more opportunities in government for executives from the private sector to apply their skills. This increase in their program does not require any additional administrative expenditures.

I recommend that you sign the attached endorsing memorandum.

Attachment

THE WHITE HOUSE

WASHINGTON

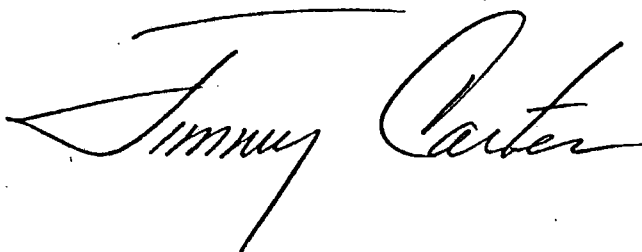
MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

To improve understanding between the Federal government and the private sector, I ask for your support of the President's Executive Interchange Program. It is designed to give executives from the Federal government and the private sector the opportunity of working in responsible positions in the opposite sector for a one-year period. Only those with a record of significant managerial accomplishments and potential for advancement to senior positions are chosen to participate.

This exchange of talent and expertise can help us use our human resources in the most effective way. This Program has my complete endorsement, and I urge all Federal Departments and Agencies to support it in two ways: by seeking out nominees from the career employees of your department for assignment in the private sector, and by accepting on assignment an appropriate executive from outside government.

The Executive Director of the President's Commission on Personnel Interchange, which administers the Program, will contact your office to follow up on this request.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right portion of the document.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

October 26, 1977

C
✓

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *J.m.*

You asked me to remind you to send a note to Jim Schlesinger and Griffin Bell concerning the antitrust provisions of the Energy Department and Senator Kennedy's concerns about domestic refineries and horizontal and vertical divestiture.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: TAX REFORM

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

*Admin
copy*

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
✓	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
✓		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.



THE VICE PRESIDENT
WASHINGTON

October 24, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: TAX REFORM

I have spent a good deal of time in the past several days reviewing tax reform possibilities with the following individuals: Russell Long, Al Ullman, Bob Byrd, Tip O'Neill, Charlie Schultze, Stu Eizenstat, Larry Woodworth, Ken Young of the AFL-CIO, Joe Pechman and Reg Jones.

I also held two luncheons on Capitol Hill: one with a group of tax reform liberals from the House Ways and Means Committee and one with Senate liberals identified with tax reform efforts.

General Approach

The most interesting result of the meetings is that most of the traditional proponents of tax reform oppose the introduction of massive or major comprehensive tax reform. The view within the tax reform group on Capitol Hill is divided, but the preponderant position on the Hill does not support comprehensive tax reform initiatives at this time. Senator Ted Kennedy, Congressman Bill Broadhead and a few others do favor a comprehensive package, but they are in a distinct minority.

Those members of Congress and others urging a cautious approach offer several reasons:

1. They believe there simply is not adequate support in the Congress for comprehensive tax reform next year.
2. House members who would have to carry the burden of support would have to pay a substantial political price in the 1978 election year.

3. The reform package might be linked with the much needed stimulus package next year. As a result, we may have to compromise too far on tax reform and also suffer a prolonged and dangerous delay in any stimulus effort.
4. It would exacerbate uncertainty about the economy, which already prevails.

Kennedy, Broadhead and others present an alternative approach. They argue that your proposals will be the high water mark of tax reform and the Congressional process will undoubtedly dilute your program. They believe that whatever is achieved will depend on your staking out an advanced position.

Senator Muskie said that he thought we should come up with a modified tax reform package which would come up with some revenue and chip away at some of the major inequities. This could be combined with tax relief to make it more attractive. Others in the group found this to be a viable approach. There was no agreement, however, on what the reform items should be. Charles Vanik, a major proponent of tax reform, urged that no tax reform package at all be sent up now, in light of the political circumstances.

Timing

There seems to be general agreement among the liberals that our tax package should not be sent up to the Hill before January. Ullman wants the bill submitted in time for hearings the week prior to the beginning of the new legislative session. An early submission would give the antireform lobbyists and pressure groups a chance to organize against us and pressure members during the recess. I found little opposition to this conclusion. I am of the strong view that any mention of our likely position now could complicate the energy package a great deal.

Recommendation

Reflecting on my discussion, I recommend the following:

That we propose a modified or limited tax reform package, coupled with tax relief, to the Congress around the first of the year and this interval be

October 24, 1977

used to develop a priority list of reforms that could achieve broad public approval and prompt passage by the Congress. This is much easier said than done, but I think we have made a commitment that requires us to make an attempt. At the time we make this proposal, I think we should state that we will be proposing further tax reforms at some time in the future, but have chosen not to do so at this time because of the sensitive economic situation, which requires that a stimulative package be promptly adopted, and that we are also anxious that the business community not go through a prolonged period of uncertainty affecting investment at this time.

*energy
welfare
soc sec*

It is important, in light of the economic situation, to have a program of cooperation and consultation with the business community, if possible, before new reform measures are proposed. I am attaching a tentative analysis of some of the reforms that appear to be prime targets for inclusion, together with some comments concerning them.

I also believe that this tax relief program needs a more sophisticated analysis, including how much relief we should be asking for, and the timing of such relief, and we need to explore whether that relief could be shaped to bring about an anti-inflationary element. We can make better estimates on the size and timing of relief with the December estimates in hand, and we should use this period to look into such proposals as those by Arthur Okun, which strongly argue that tax relief must be tied to anti-inflationary wage and price judgments.

There is no question in my mind that most Americans view inflation as the major problem facing our country today. In my opinion, the control of inflation, together with full employment, should be the major objectives of next year's domestic program. I also think that, as we look at the stimulus package, we should analyze whether some of that could be in the form of increased public employment, as well as tax relief. Our experience with this year's stimulative package strongly suggests that we will be presented with that consideration in the form of additional direct stimulation of jobs, such as public employment, public works and youth employment.

We could submit a joint, comprehensive economic package in January which tied together tax reform, tax reduction, jobs and an anti-inflation program.

October 24, 1977

Conclusion

If we send up a massive tax relief package, your leadership will be severely tested. Every indication is that passing a comprehensive reform bill in 1978 is virtually impossible. As a result, the status of your leadership could be jeopardized.

Simultaneously, we would activate a major source of opposition to the Administration and a major source of campaign financing for the opponents of our Congressional allies.

A package containing some tax reform and tax relief, coupled with a jobs program and an anti-inflation program, developed with close Congressional cooperation, provides a very attractive alternative. We could improve our situation on both employment and inflation and, if it is handled properly, increase public confidence in your leadership.

Further, a program designed to stimulate the economy through tax relief, coupled with an anti-inflation element, and a beginning in the process of tax reform, would appeal to middle class Americans. It would be consistent with your commitments and underscore your ability to lead.

Bob Byrd and Tip O'Neill agree with this approach.

Finally, whatever you decide to do, I would suggest that the decision be held confidential until the final package is announced. I am concerned that any preliminary indication of which way you are planning to go, would only encourage those who favor either a more comprehensive (or a more limited) strategy to mobilize a campaign to undercut your desired approach. It could greatly complicate our energy package. I think it would be best to keep it loose until you are ready to send up your proposals.

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat

RE: GRANTS OF EXECUTIVE CLEMENCY

THE WHITE HOUSE
WASHINGTON

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	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	✓	EIZENSTAT
		JORDAN
✓		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
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	POSTON
	PRESS
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	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

October 21, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*
SUBJECT: Grants of Executive Clemency

Attached, for your signature, is a master warrant containing the names of sixty-six persons who have applied for and whom the Justice Department recommends for Presidential Pardons. We have reviewed the Justice Department's recommendations on the listed applicants and agree that each is deserving of a Pardon.

Please indicate whether you would like additional information before taking action on the petitions:

 No further information
requested; warrant
signed.

☒ Request summary
information on
each case before
approving warrant.

J

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Executive Grant of Clemency

After reviewing the applications for executive clemency of the following named persons, and giving consideration to a letter of the Attorney General or the Deputy Attorney General recommending executive clemency in each case, they are hereby granted full and unconditional pardons:

John James Adler
Marion Marcel Augustyn
Fernando Herschel Austin
Travis Eugene Barnett
Kenneth Wayne Beard
Ann Emma Bernell
Louis Michael Bernell
William Michel Boehm
Jose Rivera Burgos
Loyal Albert Burke, Jr.
Donald Gerald Calcaterra
Richard Earl Clear
Billy Brown Creekmore
Sheridan Davis
Robert Walter Douglas
Sherwood Edwards
(also known as
Albert Smith)
Albert A. Finer
Charles Edward Flebotte
Dempsey Lee Gardner
Glenn Michael Gover
Oscar Franklin Green
Dorothy Lou Davis Griffin
(formerly known as
Dorothy Lou Davis)
Julio Grosfeld
(also known as
Julio Reinerman)
Luis Lopez Guajardo, Jr.
Robert Charles Hahn
Drinnon Arlon Hand
Fred Douglas Harris, Jr.
Donald Douglas Hormel
Herschel Lee Hoyle
Joseph Katrowski, Jr.
James Lee King, Sr.
(also known as
Tony E. Jordan)
Charles Hughston Kingery
Nicholus Louis Kouretas

Roy Wren Kurth, Jr.
Charles Robert Leaf
Jimmie Allen Lefevre
Jack Tony Lovingood
Dennis George Magalios
Victor John Mari
Huey Purvis Meaux
Emmett Bolton Mercer
Sun Hui Mizuo
(formerly known as
Sun Hui Young)
Irma Martha Moore
William Alfred Morgan
Terry William Newell
(also known as
Terry William Johnson)
Evangeline Sue Davis Nuckols
(formerly known as
Evangeline Sue Davis)
Thomas Ferrell Owen
Robert Lee Parkman, Jr.
William Price
Clydus James Purvis
Charles Gasper Salvo
Lewis Bert Sample
Ronald Irvin Shuler
Harold John Silvers
Walter Lee Sloper, Jr.
LeRoy Johnnie Smith, Jr.
William Hubert Stephens, Jr.
James Theodore Swindler
Thomas Roe Taylor
Harry Charles Tompkins
Heriberto Jesus Valenzuela, Jr.
Richard William Vaughan
(also known as
Richard William Buckley
and Donald S. Zalonek)
Moses Willoughby
Mac Clark Zerkle

and Werner Conrad Von Clemm, also known as Werner Conrad Clemm Von Höhenberg, is granted a full and unconditional pardon, which is not based upon a determination of innocence and which is not to be construed as vitiating or in any way affecting the finality of any administrative rulings or decisions made by the Attorney General or his designee, including national interest determinations, under the provisions of the Trading with the Enemy Act, 50 U.S.C. App. Sections 1, et seq., or the finality of the decisions rendered by the courts of the United States in the civil actions brought by the said Werner Conrad Von Clemm against the United States under that Act, and which shall not be construed as reviving or creating any rights or remedies under the Trading with the Enemy Act, not now possessed by the said Werner Conrad Von Clemm if this pardon had not issued; and the sentence of David Artis Keys, Jr., is hereby commuted to a term of thirty years' imprisonment.

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Hamilton Jordan
Jody Powell

RE: LAST WEEKEND'S TRIP

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
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		COSTANZA
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	/	JORDAN
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		MOORE
	/	POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
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	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 25, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *JF*

SUBJECT: Last Weekend's Trip

As you know, I share your belief that you should speak extemporaneously whenever you can. But the results of last weekend's trip suggest to me that sometimes we must choose a different approach. Specifically, I think that when we are trying to sell a substantive program -- the energy plan, the Canal, tax reform, SALT, -- we have to prepare texts, release them in advance to the press, and have you use them. *J*

The basic fact that dictates this approach is that only the 2000 people in each audience hear your actual words; to get our message to all the others we must rely on the press. If we want the message they convey to be something more specific than "Carter Campaigns in Iowa," (which was what the Des Moines Register ran) we must plan carefully for the impression we want to create. If we don't do the planning, chances are slim that the reporters will emphasize what we want to get across. But if we do plan -- by releasing a text, explaining the parts we think are important, giving the reporters a few hours to prepare -- we improve the odds for favorable, substantive coverage. We do so for several reasons:

- * it makes it easier on the reporters (they can follow the text as you speak, rather than desperately taking shorthand);

- * it gives them more time to plan, think over, and write their stories;

- * it enables us to highlight the points we are most eager to push;

- * it allows us to phrase things in exactly the form we want to see quoted.

I can't overemphasize the importance of printed, pre-released material in the whole cycle of influencing public opinion. The first thing a release text does is make it more likely

*Jim -
I agree -
If you all would
give me two or
three paragraphs -
We did what you
describe in Iowa &
L.A. on pre release,
but I did not read
exact text - just key
phrases*

that the newspaper stories will deal with the content of the speech -- rather than its reception, the crowd, the trip, what you had for breakfast. Second, when the material gets in the newspapers, it gives the broadcast networks a signal that this is credible, weighty news, which they had better treat seriously too. Then, in the third stage, the combination of the news stories and the text gives columnists and editorialists something to chew on. For example, one phrase from your Notre Dame speech -- about outgrowing our "inordinate fear of Communism" -- has turned up all over the place in columns and editorials about your foreign policy. If you had given that speech extemporaneously, you and your audience might have felt more elated about your delivery, but it is far less likely that journalists would have dug up the recorded transcripts of the speech to find phrases to quote.

Any time you appear in public, reporters are going to write stories about it. The value of printed texts is that they focus the inevitable stories on the ideas we are presenting, rather than the incidental stage-business. If we are confident that our ideas are right, that will help us in the job of persuasion. As you recall from the campaign, people who have listened to a speech aren't often sure whether you made a "good" or "bad" impression until they listen to the news about it. A few hours after your second debate with President Ford, opinion was divided about 50-50 on who had won. Three days later, after editorials and commentators had harped on the "Poland" statement, 80 per cent of the people were sure you were the winner. Ideally we should be able to perform the same feat with our energy plan. If we can convince the reporters and the editorialists that our plan is right, our arguments convincing, and our tactics sound, they will make it much easier for us to convince the public.

I am not talking about anything illicit, underhanded, corrupting, or unfair. This is not a matter of trying to trick the press into doing our work for us. The only weapon we need in these matters is our ideas, and I think we must do a better job of giving our ideas a chance to speak for themselves.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

26 October 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *Rh*
SUBJECT: Memos Not Submitted

1. PETER BOURNE MEMO informing you that he had successful meetings this past weekend in Lisbon (European Conference on Drug Control) and Bonn (Trilateral Commission, Special Session on World Hunger). ✓
2. SECRETARY CALIFANO MEMO informing you that remarks he made on energy in Los Angeles received a great deal of state and some national coverage. ✓
3. STU EIZENSTAT MEMO regarding a request from Sen. Abourezk that the Administration support, or at least not oppose, a constitutional amendment which would create a National Initiative process. Frank Moore, the Vice President, and Stu agree that the amendment is a bad idea, which is not likely to be reported from either the House or Senate committee.

Unless you object, Stu plans to send Abourezk a letter (in Stu's name) indicating that the Administration has "significant problems" with Abourezk's amendment. (If asked to testify, the Administration would explicitly oppose the amendment.) Stu's memo spells out, in some detail, the arguments against a National Initiative process.

_____ ok for Stu to sent the letter to Abourezk

✓ _____ let me see Stu's memo

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

October 25, 1977

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO

SUBJECT: Remarks on Energy in Los Angeles

My recent remarks on your energy plan -- and the adverse impact of the Senate plan on health, education and welfare -- indicate that there is significant media interest in the Cabinet's campaign for the Administration's legislation.

A five-minute statement preceding a press conference at Los Angeles' University of Judaism stimulated the following press response:

- Radio. Thirteen reports were broadcast on the seven leading California stations that in turn have local feeds, including two all news stations that broadcast throughout the Friday afternoon rush hour. Reports were also broadcast nationwide on both ABC and CBS network radio news.
- TV. Reports were broadcast on six local Los Angeles television news shows, including the affiliates of the major networks. There was also a story on the ABC evening network news.
- Print. Both UPI and AP put stories out. Several local papers, most notably the L.A. Herald Examiner and the Santa Monica Clarion, published accounts. And the New York Times and Time both had references to the remarks.

cc: Hamilton Jordan
Jody Powell
Robert Strauss

THE WHITE HOUSE
WASHINGTON

October 26, 1977

Jack Watson

The attached is forwarded to
you for your information.

Rick Hutcheson

RE: REMARKS ON ENERGY IN LOS
ANGELES

THE WHITE HOUSE
WASHINGTON

*Parti -
don't say on
your to note
"that the attached
will be
submitted
to the
pres."*

ACTION
FYI

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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

THE WHITE HOUSE

WASHINGTON

October 26, 1977

MEMORANDUM TO THE PRESIDENT

FROM: PETER BOURNE *P.B.*

SUBJECT: EUROPEAN TRIP

This past weekend I had a very successful trip to Europe with two stops:

(1) Lisbon, Portugal. I spoke to the European Conference on Drug Control. I was very warmly received by the Portuguese government. The Ministers of Health, Education, Justice and the Attorney General attended my speech, a presence which I feel reinforced their privately expressed desire for a close and friendly relationship. They specifically expressed warm feelings about you personally.

(2) Tri-Lateral Commission, Bonn. I attended the Special Session on World Hunger at which the Commission's study on Expanding Food Production in Developing Countries was presented. I expressed your own interest in this issue and it was agreed that we would work closely with the Commission in coordinating their initiative with our plans. It was a very good and interesting meeting, particularly as a follow up to Japan two years ago.

PGB:ss

c.c. Zbigniew Brzezinski

from meeting

10/26/77

THE WHITE HOUSE
WASHINGTON

Toby - Bob - Andy - Al - Tim Guy
Ed

Support
#175 = COET = DeReg

Compromise

Oil Cos

NEP.

Long - Tip - Ltd -

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telephone conversation with
senator byrd 10/26/77

Byrd-

No substitute -

1054(a)

Same as Tate's msg

I support Chairman
HH committed to Sen
may 1

Clausen - Tate's msg

25 Repul

B. St. N - In - H. L. S. -

Ran -

HH

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

10/26/77

Blumenthal: (fr Tehran)

Kuwait - \$^{price} for oil -

Do we mean what we say?

Strong faith in US economy

Egypt/Israel. Mid E. peace

Kuwait eh we help Egypt

Good energy pks = price restraints

Solomon Steel report to me < 11/15